



The Subcommittee on Human Rights and Wellness

Chairman Dan Burton (R ~ IN)

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“INTERNATIONAL PRESCRIPTION DRUG PARITY: ARE AMERICANS BEING PROTECTED OR GOUGED?”

BURTON TO HOLD FIRST HEARING OF THE HUMAN RIGHTS AND WELLNESS SUBCOMMITTEE TO ADDRESS THE REIMPORTATION OF PRESCRIPTION DRUGS FROM CANADA

Washington, D.C. – With approximately 108 million Americans managing at least one chronic health condition such as heart disease, diabetes, asthma, or high blood pressure – dependence on prescription drugs has risen dramatically in the United States. In order to avoid the higher prices in the U.S. marketplace, an estimated 1 million American consumers now purchase between \$500 Million and \$1 Billion dollars worth of prescription drugs from Canadian pharmacies annually. The U.S. Food and Drug Administration (FDA) estimates that more than 2 million shipments of prescription drugs will cross the border from Canada into the U.S. this year.

Congressman Dan Burton (R-IN-5), Chairman of the House Government Reform Subcommittee on Human Rights and Wellness, will hold a hearing entitled, **“International Prescription Drug Parity: Are Americans Being Protected or Gouged?” The Subcommittee’s first hearing of the year will be held on Thursday, April 3, 2003, in Room 2247 of the Rayburn House Office Building at 2:00 p.m.**

Said Burton, “Drug manufacturers like GlaxoSmithKline, a leading pharmaceutical company in the international drug market, have long been charging substantially more, in some cases up to 90% more, for their products in the United States than in Canada. It is important that the estimated 1 million Americans currently buying prescription drugs from Canada continue to enjoy affordable access to the prescription medications they need in order to sustain good health.”

Rep. Bernard Sanders (I-VT), a senior Member of the Committee and the first Member of Congress to accompany U.S. seniors over the border to buy lower-priced medicines in Canada, strongly criticized the drug industry for gouging American consumers, “The drug pricing policies of the pharmaceutical industry are a serious threat to patients here in the United States, who are forced to pay up to ten times more for the same medicines than do consumers in Canada. Unfortunately, the FDA now appears to be working closely with the pharmaceutical industry to put the health of industry profits over the health of American patients.”

In 2000, Congress overwhelmingly passed – and the President signed into law – legislation that permits U.S. consumers, pharmacists, and wholesalers to purchase FDA-approved prescription drugs on the international market (the “MEDS Act”). However, the law has never been implemented. While the FDA has raised some concern about counterfeit or mislabeled products being marketed in various

countries, this is not the case in Canada. In a hearing just last week before the full Committee on Government Reform regarding Internet pharmacies, Mr. William K. Hubbard, FDA Associate Commissioner of Policy and Planning, testified that he could not cite one example of a medicine shipped from a Canadian pharmacy which did harm to an American consumer. Mr. Hubbard has also been invited to testify at this Thursday's Subcommittee hearing.

The FDA has begun to initiate enforcement action against American businesses that facilitate the purchase of prescription drugs from the Canadian market. And as of January 21, 2003, GlaxoSmithKline stopped shipping its products to Canadian wholesalers and pharmacies that sell to American patients. Both Glaxo and the FDA cite "safety concerns" as the primary motivation for their actions.

In response to these implied sanctions, on February 27, 2003, Chairman Burton, along with primary co-sponsors Rep. Bernard Sanders (I-VT) and Rep. Joseph Crowley (D-NY), introduced the bill H.R. 847, entitled, "Preserving Access to Safe Affordable Canadian Medicines Act of 2003," to amend the Federal Food, Drug and Cosmetic Act with respect to the reimportation of prescription drugs from Canada.

H.R. 847, a tri-partisan bill with broad-based support, seeks to regulate prescription drug manufacturers by prohibiting them from taking actions that would discriminate against Americans who legitimately purchase prescription medications from Canadian pharmacies. Under the legislation, any drug manufacturer found in violation could face up to \$1 Million in civil penalties.

The savings realized by Americans buying prescription drugs on the Canadian market can be substantial. Below is a chart outlining sample price comparisons of commonly purchased prescription medications:

Drug	Illness/Condition	US price	Canadian price (in US \$)
Zocor (5mg, 60)	cholesterol	106.84	43.97
Ticlid (250mg, 60)	stroke	112.92	52.35
Prilosec (20mg, 30)	ulcer	105.50	53.51
Relafen (500mg, 100)	arthritis	110.99	59.55
Procardia XL (30mg, 100)	heart	110.90	72.82
Zoloft (50mg, 100)	depression	195.07	124.41
Vasotec (10mg, 100)	heart	94.31	73.42
Norvasc (5mg, 90)	blood pressure	109.24	87.71
Fosamax (10mg, 100)	osteoporosis	169.73	45.01
Cardizem CD (240mg, 90)	heart	162.22	142.70

This is the first hearing on the reimportation of prescription drugs from Canada for the Government Reform Subcommittee on Human Right and Wellness. A diverse panel of federal agency heads, leading industry experts, senior rights organizations, and consumers have been invited to testify.

Witnesses:

The Subcommittee is currently slated to hear testimony from the following:

- William K. Hubbard, Senior Associate Commissioner, Food and Drug Administration
- Former Congressman Roger Zion, Chairman. 60 Plus Association
- Dr. Elizabeth Wennar, Coalition for Access to Affordable Prescription Drugs
- Dr. Andy Troszok, Vice President, Standards, Canadian International Pharmacists Assoc.
- Dr. J.P. Garnier, Chief Executive Officer, GlaxoSmithKline Pharmaceuticals (*invited*)
- Mr. Robert M. Hayes, Medicare Rights Center

